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A Systematic Review of 'Financial Literacy' as a Termed Concept: More Questions than Answers

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Abstract

'Financial literacy', as a concept by that name, has only been explored in library science literature for a little over a decade. The concept, and especially the role of libraries in furthering this literacy, is still evolving. This systematic literature review examines the current definition of 'financial literacy', why financial literacy matters, where the public has been accessing financial literacy education to date, the difficulties encountered, by libraries and others, in providing this education, and how these challenges might be addressed moving forward.

Keywords: financial literacy, financial education, multiliteracies, information literacy, literature review

INTRODUCTION

The history of financial literacy in libraries can be traced back as far as the early twentieth century when business reference became a special area of reference work and public libraries began their involvement in what one might today call adult financial literacy (Smith & Eschenfelder, 2013, p. 301). As early as 1904, public libraries had even begun to develop separate business branches or departments (Welch, 2005, p. 282). But as a termed concept, 'financial literacy' is actually a relatively new development in library science literature, a latecomer even to the larger conversation regarding information literacy and the multiliteracies movement. Indeed, there is still much debate and confusion regarding the very definition of the term 'financial literacy' and its relation to, or distinction from, information literacy. This systematic study was undertaken to clarify the termed concept, explore its history, and identify important considerations and questions moving forward.

Unlike most of the other multiliteracies, the history of financial literacy and its growing presence in the public consciousness predates its nascent stages in library science literature. For the most part, libraries have been vanguard institutions in the multiliteracies movement, but when it comes to financial literacy, the term began to appear in education journals and popular financial self-help books as early as the late 90s (Waneless, 1997, p. 12; Bond, 1998, p. 8; McMurtrie, 199, p. A44). Robert T. Kiyosaki's infamous *Rich Dad, Poor Dad* is a perfect example. As early as 1998, Mr. Kiyosaki wrote, "without financial literacy and the knowledge of how money works, [children] are not prepared to face the world that awaits them…" (p. 3). The first instance of the term 'financial literacy' found in library literature in the course of this study was actually a 2002 review for another book, *Banking On Our Future: Financial Literacy for You and Your Children* by John Bryant and Michael Levin (Lord, 2002, p. 184). The first library science article found to actually *study* financial literacy wasn't published until 2003: an article in *Information & Communication Technology Law* that examined consumer education and information rights in regards to the purchase of financial services (Reifner & Herwig, 2003).

The advent of financial literacy studies in library science literature aligns roughly with the rise of general media coverage and the increasing involvement of the U.S. government. The national Money Smart Week program was developed by the Federal Reserve Bank of Chicago in 2001 (Smith & Eschenfelder, 2013, p. 303). In 2003, Congress established the Financial Literacy and Education Commission, and in 2006 they published "A National Strategy for Financial Literacy" (Wolfe-Hayes, 2010, p. 107). By 2007, the National Council on Economic Education reported that 40 states in the U.S. had personal finance standards or guidelines and the Financial Industry Regulatory Authority partnered with the American Library Association (ALA) the same year to provide grants for library financial literacy projects through the Smart Investing @ Your Library program (Gavigan, 2010 p. 25; Smith & Eschenfelder, 2013, p. 303).

It was not until the economic crisis of 2008 though that coverage of the concept really took off and national media, the U.S. government, and library science literature all started to feature shock value statistics prominently. It is easy to see why the nation as a whole started to pay attention to this crucial issue when one considers that these statistics are just a very small sample of those that proliferated, and only a glimpse at a nationwide fiscal epidemic that continues to this day:

- Even during the debatably 'good' economic environment of 2004, one estimate posited that 43% of Americans were spending more than they earned consistently *each year* (Mantell, 2004, p. 28).
- An estimated 70% of Americans were living paycheck-to-paycheck even *before* the 2008 recession ("Learning Sites", 2010, p. 181).
- Between 10 and 13% of households in the United States do not have a bank account

(Wolfe-Hayes, 2010, p. 107).
- In 2012, over 70% of students graduating from four-year colleges had student loans, averaging $29,400 per capita, with estimations for U.S. national student loan debt as large as $1 trillion (Eisler & Garrison, 2014, p. 374).

There is no going back to blissful ignorance. Today, the need for financial literacy skills has a growing presence in the public sphere. There is still some question about the degree of proliferation and recognition of the term 'financial literacy' to discuss this issue, and this may be an opportunity for further study, but there is widespread agreement regarding the need for some form of financial education. One author, CEO and financial advisor summarized the situation by saying, "Today, everyone needs to be bi-lingual. You need to understand English and the language of money…" ("Learning Sites", 2010, p. 181).

It became apparent in the course of this study, however, that regardless of growing public concern and the recognition libraries have recently given to the paramount importance of this issue, the study of 'financial literacy' in library science literature is still sparse. While there are certainly examples of collection development recommendations, and case study, anecdotal and small-scale quantitative studies, empirical research is generally lacking and the discussion as a whole has not attained wide prominence (Smith & Eschenfelder, 2013, p. 302). This may be a reflection of a more intrinsic problem: namely, that there is as yet no consensus regarding an operational definition for the term. As well, there are more questions than answers when one begins to explore the specific skillsets necessary to achieve financial literacy, the current state of financial literacy education in the United States at large, and especially the role libraries of all types can and should play in the larger financial literacy movement. In short, this is an area ripe for research and reflection.

Methods

This study encompasses both a general literature search and an individual review of 52 of the top library and information science journals, as ranked based on visibility by the SCImago Journal Rank indicator (Scimago, 2013). The searches were conducted in July, 2014. The general literature search utilized EBSOHost's Library Literature & Information Science Full Text database, wherein "financial literacy" was searched as a phrase with no other limiters. The choice was made to search the exact phrase precisely because this study was concerned with the evolution of the termed concept and not the history of this conceptualization: discussions of 'financial intelligence' or 'financial knowledge' etc. The initial search produced 49 results spanning a date range from 2003 to 2014. Articles were assessed initially by their abstracts and if the scope of the article remained unclear after this initial assessment, the article text was obtained and skimmed to determine its relevance. Twenty-six articles were culled from the initial search.

The author then used SCImago's Journal Ranking tool to individually search 52 of the most visible library science journals as of a 2013 ranking. Of the journals searched individually for the phrase "financial literacy" with no other limiters, 17 produced at least one result. Each article was assessed for relevance based on its abstract, and a skimming of the text, if necessary. Four duplicate articles were discarded, five were judged to be not applicable to the study, and an additional 12 articles were obtained, one of which brought the early end of the date range back to 2002.

In total, 38 articles, published between 2002 and 2014, were found potentially applicable to a study of the termed concept 'financial literacy', with 18 of those articles published in the last three years. Note that the number of articles reviewed for the 'year' of 2014 could only include those published by the date of the search (July); likely the number of relevant articles published by the end of the year will be higher (See Table 1). The generally increasing frequency of articles from 2009 to the present is to be expected, as the concept of 'financial literacy' also became increasingly visible in education, economic and even political spheres during this time, most likely due to the impact of the global economic distress of 2008 – present (Reifner & Herwig, 2003, p. 125).

It could be considered a weakness of this study that the search and analysis of this topic was limited to the termed concept 'financial literacy' when the subject has evolved and been discussed by other names. This limitation therefore excludes both a wider view of the issue and the inclusion of some historical context. This choice was made because the term 'financial literacy' is how libraries have, to date, ultimately decided to frame the conversation. This is evidenced by the Reference User Services Association's recent release of *Financial Literacy Education in Libraries: Guidelines and Best Practices for Service* and the generally increasing use of the term within the library science field (RUSA, 2014, p. 1). There may be justification for questioning the use of this term moving forward, but this study chose to limit the historical context to the terming of the concept in order to focus with more depth on the *current* state, study and debate of the issue.

QUESTIONS

The choice was made to frame the discussion of study findings in the form of questions, as opposed to a more traditional format, because this systematic review made explicit the fact that there are a) very few definitive answers to be found regarding *any* questions a library professional might have about 'financial literacy', and; b) there are a number of questions library professionals *should* be considering that seem, as yet, unasked. In consequence, five questions have been explored herein.

- **What *is* "financial literacy"?**

Library science literature has yet to agree on a single, definitive meaning for the term 'financial literacy'. In the course of this study at least nine definitions with particular distinctions were found. Smith & Eschenfelder (2013) summarized that, "In short, any information need that involves money has been identified as a problem that 'financial literacy' is required to solve" (p. 300). This does not seem far off the mark. Unfortunately, such a broad definition reduces the clarity of the conversation and brings into question the relationship of financial literacy to information literacy and the multiliteracies movement.

There are general themes to the various definitions of 'financial literacy'. The term is usually defined as regards its end goals: the ability of users to find and access authoritative financial information, the construction of a foundation of financial knowledge sufficient to evaluate the information and immediate situational choices, and finally the confident and accurate ability to make financial decisions sufficient to achieve "a lifetime of financial well-being" (Spiranec, Zorica & Simoncic, 2012, p. 265; Glenrose & Zawada, 2013, p. 47; Livengood & Venditti, 2012, p. 88). Understanding short vs. long term financial considerations, achieving financial stability and security, and a theme of empowerment or even 'emancipation' often come into play as well (Reifner & Herwig, 2003, p. 126). Sometimes there is an emphasis on knowing "where to go for help" and occasionally the ability to *communicate* one's financial knowledge to others and thus participate in an active financial discussion is also required (Livengood & Venditti, 2012, p. 88; Smith & Eschenfelder, 2013, p. 299).

Often 'financial literacy' is framed as an extension, or sometimes subset, of information literacy (Wolfe-Hayes, 2010, p. 106; Dawes, 2014, p. 326; Spiranec, Zorica & Simoncic, 2012, p. 265). It seems inarguable, at least, that one must be information literate before one can be financially literate. The first step to any informed financial decision, after all, is the recognition of a particular information need and the ability to find, access, evaluate, use and potentially communicate that information. This puts one firmly in the realm of information literacy. However, it also seems fair to argue that the ability to *evaluate* and use financial information requires some basic *financial* knowledge as well (Spiranec, Zorica & Simoncic, 2012, p. 266). A person who could find and access a company's balance statement, for instance, would have gained little information of actual use if he or she did not understand the various components and implications of assets, liabilities and equity. Unless the library science field is going to include in the ability to evaluate information as part of 'information literacy' any and *all* subject knowledge, this necessary financial grounding sets the definition of 'financial literacy' apart.

As a distinct literacy, however, how does financial literacy fit into the larger multiliteracies movement? This movement argues that the increasingly complex world of the 21st century necessitates expanding the idea of 'literacy' beyond printed texts to include all the 'literacies' necessary to successfully navigate modern life (Wiig, 2007, p. 145; Spiranec, Zorica & Simoncic, 2012, p. 263; Wizenried, 2011, p. 537). However, it is currently unclear "whether the concept of multiple literacies leads to greater clarity or greater confusion" in discussing knowledge needs (Wedgeworth, 2004, p. 17). Particularly, one might question how subdivided the concept of 'literacy' should be (Brophy, 2007, p. 520). What are the 'multi' literacies necessary to successfully navigate life in the 21st century, and how many adjectives should be added as prefixes to the word 'literacy' in order to describe and tally these necessary competencies? Peter Brophy listed eighteen distinct literacies visible in the academic literature as of 2007 and by 2013 Gelfand & Lin mentioned *thirty* distinct literacies (p. 520; p. 543). At some point, distinguishing additional 'literacies' will lead to such overlap between the bodies of knowledge that the multiple literacies will essentially lose any distinction. How synonymous, for example, are 'financial literacy' and 'business information literacy'?

In opposition to the multiliteracies movement, one might consider if the term 'literacy' is simply always contextualized by the time period and particular circumstances within which it is uttered, thus making any and all distinctions moot. Brophy (2007) pointed out that a few hundred years ago 'literacy' may have been defined as the capability to read and write both Greek and Latin (p. 520). Yet an individual without these skills is not considered illiterate today because the concept of 'literacy' is tied to both "our space and time" (Ferreiro, 2005, p. 43). Can librarians forego adjectives altogether in favor of 'literacy' as an overarching umbrella term, or does the conversation grow untenably opaque?

- **What does it mean to be financially 'literate'?**

To describe fully *all* the skills suggested by various financial literacy initiatives and literature is beyond the scope of this article. A severely pared list includes:

- Understanding earned and unearned income, workplace benefits, and taxation considerations in a wide variety of contexts (RUSA, 2014, p. 2);
- Setting financial goals, developing a budget, tracking spending habits and making wise

spending decisions that fit within the context of one's financial situation (Li, 2012, p. 139; Smith & Eschenfelder, 2013, p. 314; Smith J., 2013, p. 67);

- Understanding saving strategies, investment options and risk assessment methods (RUSA, 2014, p. 5, 8-9; Wolfe-Hayes, 2010, p. 108; Monsour, 2012, p. 40, 43);
- Understanding credit options, various debt structures and important considerations in asset acquisitions or rentals (RUSA, 2014, p. 3-5, 8); and,
- Assessing insurance options and protecting one's identity and finances from theft, fraud and scams (Li, 2012, p. 139; Smith & Eschenfelder, 2013, p. 314; RUSA, 2014, p. 8-9).

The majority of financial literacy formal education initiatives do seem to prioritize to some extent. Fringe financial services are often explored and evaluated in such programs (payday loans, pawn shops, etc.), and budgeting and spending tracking are almost always components as well as understanding the benefits and drawbacks of credit (Monsour, 2012, p. 43; RUSA, 2014, p. 3-4).

Consider though: how great should one's depth of knowledge be in any of the particular areas? Understanding investment options is one example of a complex concept that might be mastered at multiple levels. It could be as simple as understanding the difference between stocks and bonds or as complex as understanding different aspects of portfolio diversity. Should all financially literate individuals understand what beta is? Should they know how to calculate it themselves? How much should they know and understand about the capital structure of a particular company in which they are considering investing? How many of the more complex financial products should they understand? Should they be able to explain the differences between exchange traded funds, mutual funds, and variable annuities? It is easy to see how an exhaustive list would be more knowledge than even financial experts may have at their immediate recall.

How specific and exhaustive *should* the list of skills by which we define a financially 'literate' individual be? Consider the argument that the word 'literacy' is defined to an extent by the time and place within which it is spoken (Ferreiro, 2005, p. 43; Brophy, 2007, p. 520). If this is so, it seems fair then to question whether or not financial literacy is likewise defined to an extent by circumstance, and therefore if the skills that make one 'literate' are not likewise circumstantial. Consider what financial skills might be necessary for a middle-class American to successfully navigate his or her daily life versus what financial skills might be necessary to a small business owner in the informal sector of the economy in Ghana (Glenrose & Zawada, 2013). Consider even the different financial skills necessary at different stages within a specific individual's lifespan.

When one speaks of financial 'skills' even, how specific should these skills be in defining a literate individual? Many financial literacy initiatives focus on budgeting and tracking one's spending habits, for example. Is there a *right* way a financially literate individual would achieve budgeting and tracking? One could create an account on mint.com, for example (Intuit, 2014). Alternatively, one could use the storied 'envelope method' wherein one converts to cash at least certain components of their budget, placing the allowed spending amounts in different envelopes and spending only from those specified envelopes for each labeled need. Either method creates a budget and tracks spending. Does a financially literate individual need to 'budget' in the traditional sense at all? What about creating "an artificial economic environment of scarcity" instead, as Thomas Sanko relates is a prime method by which the wealthy control their spending (1996, p. 41)?

There seem to be many remaining questions regarding the specific skillsets and knowledge that make one financially literate. There also seem to be a number of considerations not commonly included on the exhaustive lists that perhaps should be. For instance, should 'financial literacy' include the ability to understand not only how the broader context affects one's personal finances, but also the factors that affect the broader context (Wiig, 2007, p. 151)? One author in this study discussed, for example, the rising energy costs in the United States and how these costs have been excluded from the government's cost-of-living calculations (Holt, 2009, p. 251). Clearly both energy prices and other costs of living affect one's personal finances and financial literacy would at least include adjusting one's budget accordingly. What about understanding that the fact that energy costs are *not* included in the government's cost-of-living calculations impacts what knowledge one can glean about the macroeconomic health of a nation from that cost-of-living calculation? Wolfe-Hayes (2010) asserted that, "…understanding the economic and regulatory issues is beyond reasonable expectations of the financially literate", but this seems a precipitate assertion (p. 106). Understanding the economy of any given nation could have a significant impact on one's decision to invest in the nation in question, for instance. In such a circumstance, macroeconomic knowledge is a component of one's investment strategy, which is a widely accepted component of financial literacy.

The emotional and psychological aspects of sound financial decision making, and the fact that learning new financial skills often involves the process of *unlearning* poor financial habits are also considerations yet to be widely incorporated into the financial literacy discussion (Wolfe-Hayes, 2010, p. 107; Monsour, 2012, p. 37; Reifner & Herwig, 2003, p. 134; Ferreiro, 2005, p. 42). In order to be financially literate, should one understand how to assess past financial habits in order to systematically address his or her own shortcomings? Should the individual understand his or her emotional relationship to money and how emotion and impulse can impact one's monetary decision-making? In a similar vein, should a financially literate individual understand ethical financial investment theories and/or how one's ethics might impact their finances in unintended ways (Reifner & Herwig, 2003, p.132)? These are questions and considerations that should be addressed moving forward.

- **Why does financial literacy matter?**

Of course, one might also ask: should we be 'moving forward' at all? Why? Why does financial literacy matter? Arguably, this question could be broken into two main components: Why does financial literacy matter to those who are not currently financially literate? Does financial illiteracy in *others* potentially affect even those who *are* financially literate?

As to the first, a frequent assertion in the literature is that financial literacy has become increasingly important as the daily financial environment has grown increasingly complex (Livengood & Venditti, 2012, p. 88; Spiranec, Zorica & Simoncic, 2012, p. 263). While financial literacy has certainly been beneficial to possess since the advent of the monetary system, it is argued that financial literacy has become even more essential as the financial market has grown more difficult to navigate, individuals have an increased responsibility for their long term financial well-being, and financial decisions have grown ubiquitous to the point where the average adult makes multiple financial decisions on a daily basis (Livengood & Venditti, 2012, p. 88; Spiranec, Zorica & Simoncic, 2012, p. 263; Gavigan, 2010, p. 24). While individuals in the past may have satisfied most of their needs without financing, today nearly all deal with issues like mortgages, retirement funds, consumer credit and various investment instruments (Spiranec, Zorica & Simoncic, 2012, p. 269; RUSA, 2014, p.3-7).

A number of broad economic and social trends have made financial literacy imperative. These trends include: the growth of the financial industry, including increasingly complex financial products, a larger number of financial products and the availability of these products to a greater number of consumers, globalization as regards the financial market, but also the labor market etc., an increasingly online environment that allows for both online trading and the growing disintermediation of information, the continuing economic recession, decreased regulation of financial markets, increased individual responsibility for financial well-being, increased life expectancy and therefore average length of retirement and increased entrepreneurialism as business startup costs have decreased (Spiranec, Zorica & Simoncic, 2012, p. 264, 270; Reifner & Herwig, 2003, p. 125-6; O'Connor, 2013, p. 36, 38; Mantell, 2004, p. 29). All of these factors have, arguably, made daily financial decision-making increasingly complex and therefore make obtaining a base level of financial literacy necessary for all.

This discussion will focus on three of these factors: globalization, the online environment and increased personal responsibility for one's financial well-being over an increased lifespan.

Globalization has impacted the need for financial literacy in two main ways. First, it has increased labor competition for all (Allum, 2013, p. 29; Wiig, 2007, p. 141, 144). Second, as the financial market has grown increasingly global, financial instruments are now being offered and even aggressively marketed to individuals in nations that previously had little financial infrastructure. In short, financial products are being marketed to individuals who have little previous experience with even simple financial instruments (like credit cards) and are usually in possession of only the most basic levels of financial literacy (Spiranec, Zorica & Simoncic, 2012, p. 270). The increased competition in the labor market affects every possible daily financial decision, as all such decisions can be traced back to the personal financial resources one has to spend, save or invest (aka. income). As well, many tie increased levels of unemployment to increased over-indebtedness (Reifner & Herwic, 2003, p. 125).

As the online financial environment has grown, it has had an impact on the financial market by a) providing increased access to financial instruments, and b) removing the need for expert intermediaries when accessing financial information. Low transaction costs (both monetary and ease of access) and aggressive marketing by online brokerage companies have brought many new investors to the Internet (O'Connor, 2013, p. 36; Spiranec, Zorica & Simoncic, 2012, p. 264). Unfortunately, the ease of trading online is a double-edged sword. Because it is so easy to trade online, most investors trade more actively, which is generally less profitable. O'Connor's 2013 study compared the return of investors who switched from traditional to online trading. Prior to going online, the average participant had beaten the market by more than 2% annually, but after making the switch to online trading, the average lagged behind the market by more than 3% annually (p. 36). These investors made much less profit from their online investment activities than their traditional ones.

The online environment also allows for the disintermediation of information. Consequently, instead of seeking out the counsel of professional advisors, most online investors search for information directly (Spiranec, Zorica & Simoncic, 2012, p. 267; O'Connor, 2013, p. 36). There are a bevy of potential negative impacts related to this shift. One of the most notable is that investors exhibit confirmation bias, or the tendency to seek out information that supports the beliefs or opinions they already hold, and therefore the accuracy of online traders' forecasts improves much more slowly than their confidence in their forecasts (O'Connor, 2013, p. 38). In other words, with so *much* information available online, and a human tendency to seek out like-minded opinions, investors *think* they are very well-prepared to make investment decisions, but their realized returns are often much lower than they predict.

Whether or not personal responsibility for financial security has increased in general, it does seem that a trend towards privatization will require increased numbers to assume greater responsibility for their retirement savings (Reifner & Herwid, 2003, p. 125-6; Spiranec, Zorica & Simoncic, 2012, p. 264). As medicine advances, so does the life expectancy of the average U.S. citizen. Without significantly increasing the average retirement age, this means the length of the average retirement period increases likewise. This means individuals must plan for financial security that extends not ten years past employment but twenty or even thirty years further. Planning a secure fixed-income lifestyle for such a duration requires people to become more involved and better informed about the increasing number of investment vehicles directed to this goal and how to diversify one's investments in a manner that addresses risk to the best of one's abilities (Spiranec, Zorica & Simoncic, 2012, p. 264).

For younger generations, the financial future is particularly uncertain. Educational fees are rising and with them so is the average debt load (Roggenkamp, 2014, p. 142). The labor market is increasingly competitive, and the cost of living is rising with higher interest rates, housing prices, energy costs and more (Allum, 2013, p. 29). Even for those who may have been considered sufficiently financially literate in the past, the increased pressure on financial resources that are not expanding at the same rate as risk and expense may require increased levels of literacy. Even for the *most* financially literate individuals, the financial literacy movement and the general level of literacy among peers may well impact their lives.

An intriguing consideration is whether personal financial literacy has macroeconomic consequences (O'Connor, 2013, p. 36; Livengood & Venditti, 2012, p. 88; Spiranec, Zorica & Simoncic, 2012, p. 264; Glenrose & Zawada, 2013, p. 47). The state of the economy has an undeniable and direct impact on one's personal finances, but can personal financial decisions, taken collectively, impact the economy? The literature boasts some debate. One side asserts that it is ultimately the regulatory environment that either allows or does not allow for *such* poor financial behavior that it can, on a whole, have macroeconomic consequences; that the monetary policy and regulations regarding debt structuring, credit limits and the like are the only means through which poor financial decisions can be so terrible as to be collectively disastrous (Wolfe-Hayes, 2010, p. 106). On the other hand though, one might consider aspects of personal financial literacy that are entirely within normal financial regulatory limitations, and yet, collectively, might impact the broader economy. Perhaps the easiest example is how financial literacy might well affect entrepreneurial ventures. Clearly the success or failure of small businesses, taken on a whole, will impact the economy. Perhaps there are also subtler connections. Eisler and Garrison's 2014 study showed people overburdened by student debt are less likely to start a business or own a home (p. 375). Thus unwise student debt could possibly be correlated to the number of new business startups, or the growth or contraction of the real-estate market, in a given year. They are less direct correlations, surely, but worth considering.

- **Where have people been going for their financial literacy education?**

Interestingly, while the library science field has tended to lead the way in the multiliteracies movement, the discussion and implementation of financial literacy initiatives in libraries has actually lagged behind other spheres. While school, public and academic libraries have certainly played a role, financial literacy education in the U.S. has most noticeably been molded by government and non-profit organizations, the K-12 school system, informal experience and especially personal finance literature written by so-called 'financial gurus'. The problem thus far is that across all these spheres, financial literacy is addressed in a patchwork manner.

In 2011, the President's Advisory Council on Financial Capability proposed that financial

education should be taught in *all* American schools, but we still have no federally mandated financial literacy standards for K-12 and post-secondary institutions (Livengood & Venditti, 2012, p. 88). Majority of U.S. states have their own K-12 financial education standards, but, as of 2007, only nine states actually required testing of student financial literacy skills (Gavigan, 2010, p. 25). More troubling though is a 2009 University of Wisconsin-Madison study that reported more than 60 percent of prospective and practicing teachers felt underqualified to teach to their state's financial education standards (Livengood & Venditti, 2012, p. 88). Considering these facts, is it any surprise that though nearly all the literature proposes the systemic integration of financial literacy content into primary, secondary and post-secondary education, this is not our present condition (Gavigan, 2010, p. 24; Spiranec, Zorica & Simoncic, 2012, p. 266)? One survey of teachers suggested that another piece of the problem was the need for more grade-appropriate financial literacy resources, which might well be an ideal role for school librarians, but this, of course, is only one very small piece of the larger puzzle (Gavigan, 2010, p. 27).
Another provider of financial education has often been financial services firms. Unfortunately, these services generally focus on the offerings of the firm. There is concern that the firms provide biased information and rarely include literacy components in presentations or programming (Wolfe-Hayes, 2010, p. 110). The perception is the firms may be more interested in marketing their products than teaching patrons to assess financial products on their own (Monsour, 2012, p. 37). This is, of course, also a resource used almost exclusively by adults and usually only those from particular socioeconomic brackets.
The arguably biggest providers of financial literacy materials to adults spanning all economic strata have been publishers of the personal finance self-help genre. Unfortunately, this source of financial education also has serious drawbacks. Bias is still a concern, but more commonly simple overenthusiasm is the root problem. These books are written to be engaging and encouraging. Keren Dali's 2013 study mentioned cases of readers making major financial decisions in the thrall of a good read (p. 272). While one of her interviewees related that Robert Kiyosaki's *Rich Dad, Poor Dad* inspired him to pursue financial literacy on an ongoing basis with positive results, another interviewee mentioned that the very same text resulted in an impulsive decision to start his own business, a decision he had since come to regret (Dali, 2013, p. 272). These books might well have useful financial information, but a call to action based on the text is likely foolhardy.
Public libraries have had a limited but significant role in financial literacy education to date. One of the biggest facilitators for financial literacy initiatives in the public library world has been the partnership between the Financial Industry Regulatory Authority and the American Library Association to fund the Smart Investing @ Your Library Program. The Smart Investing @ Your Library program focuses on making reliable and unbiased financial literacy content widely accessible to public library users by strategic use of existing content and encouraging community partnerships between the public library and particularly government or non-profit organizations (Smith & Eschenfelder, 2013, p. 303; Monsour, 2012, p. 42). Because libraries enjoy a positive reputation and have the capacity to deliver programming and related resources, they make the perfect "local anchor" for coordinating the transfer of information from their community partners, who may have more financial expertise than library staff, to patrons (Monsour, 2014, p. 37; Smith & Eschenfelder, 2013, p. 299). Smith & Eschenfelder's 2013 study found that most public library survey and interview respondents (82 percent) reported offering some form of financial literacy programming in their libraries, but majority of these programs were less than six years old (p. 313). There is ample room for growth and evolution.

Academic libraries' role in financial literacy education has also been limited.

Participation to date has included single-shot instruction sessions and workshops, rare credit-bearing courses, participation in first-year experience programs and subtler roles like participation in campus-wide initiatives, the creation of relevant Libguides and the provision of online information resources though other platforms (Jagman, Lewis, Nunn & Walter, 2014, p. 255; Li, 2012, p. 138). The arguments for increased academic library involvement are compelling. Whether it should be the case or not, at the moment, undergraduate students are often taking on personal financial decision-making for the *first* time in their lives and are forming financial habits that may well last a lifetime (Jagman, Lewis, Nunn & Walter, 2014, p. 254). With the threat of student loans looming ever higher, and impacting these students usually well into their 30s, this seems a particularly salient time for intervention (Eisler & Garrison, 2014, p. 375). Student debt and the financial literacy of a campus is surely not solely the academic library's responsibility. However, as one academic librarian pointed out, "…as employees in boundary-spanning organizations with the ability to bring others on campus and in our communities together, we *are* able to develop the programs and resources that can have an impact on the lives of our faculty and staff members, our students, and the members of our communities" (Dawes, 2014, p. 326). Why not do so?

- **What are common difficulties faced in providing financial literacy education and how might we address them?**

As with most new ventures, financial literacy education initiatives have faced their share of obstacles. Some of the difficulties have involved overarching questions as yet unanswered, especially:

- What organizations should libraries partner with to provide the best possible financial literacy education?; and,
- Should libraries focus on public financial literacy programming or staff education?

Other difficulties stem from the nature of the topic itself: that the subject is intimidating and complex, that it often involves personal and private information, that learning financial skills in the modern era involves a prerequisite of basic information and computer literacy skills, and that people generally don't want financial literacy education until they've already run into financial trouble (Smith & Eschenfelder, 2013, p. 307-8; Blanton, 2012, p. 53; "Learning Sites", 2010, p. 181; Holt, 2009, p. 360).

As to the first of the two questions, partnerships are usually encouraged between nonprofit organizations and government agencies and partnerships with financial services firms are discouraged due to fears of bias and the interference of commercial promotions in programming (Monsour, 2014, p. 37). Partnerships are generally regarded as important bolsters to program sustainability, but one study showed the majority of representatives from partner community agencies indicated it was they who initially approached the library and that they faced "varying degrees of receptivity" from librarians (Monsour, 2014, p. 39; Smith & Eschenfelder, 2013, p. 300, 309). While it seems agreed libraries should partner with *someone* if possible to bolster financial literacy initiatives, subsequent questions to ask might include whether or not financial services firms should be excluded from consideration. Patrons will, after all, face biased information and commercial promotions when they are assessing financial products in the real world, and maybe library programming is missing out on an opportunity for discussion regarding how patrons can assess the accuracy and utility of financial information for themselves.

The second question addresses not only librarians' own levels of literacy, but also their attitude towards providing financial literacy programming and services. While most librarians feel they can find and access financial resources, there is a distinction between being able to access this information, and possessing the base of financial knowledge necessary to interpret the information and provide further guidance (Smith & Eschenfelder, 2013, p. 317). Essentially, while librarians feel, on a whole, that they are information literate, few have confidence in their own levels of financial literacy. This may be partially attributed to the fact that one survey found most libraries reported less than 10% of their staff had ever received any financial literacy training (Smith & Eschenfelder, 2013, p. 308). While Smart Investing @ Your Library has emphasized staff development, citing the fact that this expertise remains even after programming has ended and the patrons will benefit in uncalculated ways from knowledgeable frontline staff, it seems most libraries have devoted their time and funding mainly to formal programming (Monsour, 2012, p. 39). A future area for research might include understanding why libraries have focused on formal programming and assessing how effective this emphasis has been.

Libraries must also address the public's impression of their financial literacy offerings. The business community in particular has not traditionally regarded libraries as adept at providing high-quality technical information. This doubt lingers (Welch, 2005, p. 283). One suggested remedy involves librarians publishing relevant articles outside of library science literature, particularly in business publications as a means of advertising librarians' growing position of expertise in the field (O'Connor, 2007, p. 121). However, while this seems a sound suggestion, the profession should probably consider other means of developing and promoting expertise to the public as well.

Unfortunately, libraries have generally failed to address the difficulties inherent to the nature of financial literacy education. Most attempts to deal with the intimidating and complex nature of the topic involve trying to break down financial literacy into simple, very specific tasks – like how to balance a check book – and by attempting, through themes and visuals to make programming more entertainment than education (Holt, 2009, p. 359; RUSA, 2014, p. 7-8; Blanton, 2012, p. 53). These techniques have seen only moderate success. The issue of financial literacy involving personal and private information is closely related to the age-old issue of almost any reference interaction, but librarians report that maintaining a clear boundary between providing financial information and providing inappropriate financial advice is something that still causes them anxiety (Smith & Eschenfelder, 2012, p. 308, 314). Financial literacy issues are often particularly volatile and there are potential liability issues involved if a librarian is unable to maintain the distinction between information and advice ("Learning Sites", 2010, p. 181; Smith & Eschenfelder, 2013, p. 314).

Almost any literacy involves the prerequisite of some base level of information and digital literacy in the modern era, so there is little that can be done to negate this prerequisite. However, the fact that many people will not seek out financial literacy education until they are in distress is an issue that may have a solution, and is an area that should be explored in future research. While personal finance self-help books are often focused on advising individuals out of dire debt and various other financial catastrophes, librarians providing the same sort of information would be balancing precariously on that boundary between information and advice. At the point of serious financial distress, it is usually too late for patrons to make any meaningful use of the financial literacy programs most libraries can provide (Reifner & Herwig, 2003, p. 126; Holt, 2009, p. 360). It is imperative, if libraries want to assist patrons with financial literacy in a real-life context, that they convince patrons to seek their services *before* the circumstances are dire. The question that remains is: how?

CONCLUSION

It is not surprising that in only a decade's worth of professional literature librarians have yet to answer all the questions related to 'financial literacy', but it is perhaps time that consensus is reached regarding a definition for an increasingly widespread term. While financial literacy does involve using information literacy skills to a great extent, there do seem to be additional skills that distinguish this literacy and perhaps having an adjective beside yet another 'literacy' is useful purely for the clarity of the conversation moving forward (Wolfe-Hayes, 2010, p. 106; Smith & Eschenfelder, 2013, p. 300). However, this is just one opinion. There are those who argue financial literacy is only a subset of information literacy (Wolfe-Hayes, 2010, p. 106). The relationship of financial literacy to information literacy specifically is a prime area for further discussion.

Despite the fact that 'literacy' itself may well be a term with connotations defined by the circumstances within which it is uttered, using multiliteracy terms may assist in keeping these connotations clear and separate in the course of ongoing discussions (Ferreiro, 2005, p. 43; Brophy, 2007, p. 520). Then again, this is another contested issue (Wedgeworth, 2004, p. 17). It is perhaps worth considering how widely recognized *any* of these literacy terms are outside of the library and information science sphere and whether using them adds clarity or confusion to the *interdisciplinary* conversation (Brophy, 2007, p. 521). While one consideration is certainly the clarity of the conversation within the library science sphere, little progress will be made towards an improvement in global financial literacy if the effort is not interdisciplinary in nature. In which case, a common vocabulary is necessary.

The release from the Reference and User Services Association of *Financial Literacy Education in Libraries: Guidelines and Best Practices* represents only the most recent and fully-realized attempt to quantify a set number of necessary financial skills to define the 'literate' (RUSA, 2014). However, considering the incredible breadth of skills that may be required to successfully navigate any of the countless financial circumstances any global citizen may face, being fully financially literate may need to be defined by an entirely individual and circumstantial list of skills. In short, perhaps being financially 'literate' means only that one might successfully navigate his or her *own* financial situation (Reifern & Herwig, 2003, p. 127). If this is the case, however, what will this mean for financial literacy education initiatives?

Where individuals may go in the future to gain financial literacy skills remains to be seen, although it seems likely financial literacy initiatives may expand particularly within public libraries. Among public library survey respondents in Smith and Eschenfelder's 2013 study, 82% had offered some financial literacy programming, 51 percent had offered this programming for two or more years, and 18 percent had offered such programming for more than six years (p. 313). This shows a clear pattern of growth over time. There is no reason not to think this growth will continue. In addition to programming, public libraries will no doubt also continue to offer personal finance self-help books. While these books may offer varying advice, some of which may even go against the tenets being taught in financial literacy programming, libraries might take comfort in the fact that this is part of promoting a larger financial "culture of literacy" (Wedgeworth, 2004, p. 14, 17).

Libraries will need to consider whether formal public programming should be prioritized over staff education in financial literacy initiatives. Future research might explore if public programming is the most efficient use of resources. Might not staff education serve to provide patrons with more sustainable financial literacy assistance as frontline staff feel better prepared to address their financial question at the point of need (Monsour, 2012, p. 39; Smith &

Eschenfelder, 2013, p. 317)? Regardless, if public programming is to continue to any extent, future research will need to look into at least one area in far greater depth: financial literacy assessment measures. Thus far it would appear that the only assessment measures currently utilized are exit satisfaction surveys and occasionally a pre-test/post-test comparison or after-the-fact surveys regarding whether patrons who attended a financial literacy program took any of a few particular financial actions (opened a deposit account, created a budget, etc.) (Behrends, 2012, p. 57; Wolfe-Hayes, 2010, p. 109). There are likely more accurate ways to measure success.

While interest in financial literacy predates the current economic climate, the present difficulties may be a "teachable moment" wherein the public at large is unusually receptive to the message of the financial literacy movement (Wolfe-Hayes, 2010, p. 105). Considering the impact of globalization, the explosion of financial products and the increasing online opportunities for investment, as well as the reality of needing to maintain one's financial stability for decades after retirement, it might be absolutely essential that libraries grab this opportunity with both hands (O'Connor, 2013, p. 36, 38; Spiranec, Zorica & Simoncic, 2012, p. 264, 267; Reifner & Herwig, 2003, p. 125). Libraries may well be staring in the face the opportunity to make a macroeconomic and global, as well as very personal, impact. They need only answer a few questions first.

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Table 1. ‘Financial Literacy’ Articles Included in the Study

Year	**Articles**
2002	1
2003	1
2004	2
2005	2
2006	1
2007	3
2008	0
2009	4
2010	4
2011	2
2012	5
2013	8
2014	5